

Message Text

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41

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 EA-06 NEA-10 ISO-00 SP-02 AID-05

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 LAB-04 SIL-01 DODE-00 PM-03 H-02 L-03 PA-01

PRS-01 INT-05 FEAЕ-00 /117 W

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R 100805Z JUN 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 8608

INFO AMCONSUL MEDAN

AMCONSUL SURABAYA

AMEMBASSY TOKYO

AMEMBASSY LONDON

AMCONSUL HONG KONG

AMEMBASSY SINGAPORE

AMEMBASSY OUAGADOUGOU

AMEMBASSY JIDDA

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HONG KONG FOR TREASURY ATTACHE

EO 11652: N/A

TAGS: EFIN ID

SUBJ: PERTAMINA REFINANCING

REF: A. JAKARTA 6626 B. JAKARTA 6962

1. SUMMARY: MORGAN GUARANTY FIRST TRANCHE OF PERTAMINA RE-FINANCING NOW FIRM AT \$425 MILLION (REF B). \$100 MILLION IN SAUDI ARABIAN FINANCING RECENTLY AGREED TO (REF B) WILL BE FOR SPECIFIC CAPITAL PROJECTS AND WILL NOT CONTRIBUTE TO PERTAMINA REFINANCING REQUIREMENTS NOR AMELIORATE CURRENT FOREIGN EXCHANGE

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RESERVE PROBLEMS. GOI EXPECTED TO RESUME PUBLICATION FOREIGN

EXCHANGE RESERVE STATISTICS IN JULY WHEN RESERVES EXPECTED TO REGAIN OR EXCEED THEIR APRIL 1 LEVEL OF \$921 MILLION. CURRENT RESERVE LEVEL IS THOUGHT TO BE WELL BELOW \$700 MILLION.

2. REF A STATED CURRENT PERTAMINA REFINANCING PROGRAM INCLUDED FIRST TRANCHE MORGAN GUARANTY FINANCIAL PACKAGE ESTIMATED AT \$400 MILLION AND JAPANESE FINANCING OF \$150 MILLION. REF B REPORTED FORMER IS NOIDJLZ AT \$425 MILLION. COPY OF MORGAN GUARANTZ PROSPECTUS IS BENG SENT TO ADDRESSEES. ESTIMATE OF \$1.0 BILLION FOR TOTAL REFINANCING PROGRAM FOR GOI FY 1975/76 REMAINS UN-CHANGED.

3. POSSIBILITY OF KUWAITI FINANCING SIMILAR TO SAUDI \$100 MILLION (REF B) ALSO NOTED IN PRESS ARTICLES. WE UNDERSTAND FINANCING WILL BE FOR SPECIFIC CAPITAL PROJECTS THAT HAVE NOT AS YET BEEN SELCETED. IT APPEARS LIKELY THAT ANY OTHER OPEC FINANCING OBTAINED BY GOI WILL ALSO BE DIRECTED TOWARD SPECIFIC CAPITAL PCOJECTS. AS SUCH THIS FIANCING WILL NOT CONTRIBUTE TO PERTAMINA REFINANCING REQUIREMENTS NOR AMERIORATE THIS YEAR'S FOREIGN EXCHANGE RESERVE PROBLEMS DISCUSSED IN REF A.

4. FYI. GOI STOPPED PUBLICIZING FOREIGN EXCHANGE RESERVE POSITION AFTER APRIL FIRST LEVEL OF \$921 MILLION WAS COMMUNICATED TO IGGI MEMBERS. WE UNDERSTAND CURRENT POSITION IS WELL BELOW \$700 MILLION LEVEL THAT EXISTED ABOUT A MONTH AGO AND THAT GOI WILL RESUME REPORTING ON RESERVE POSITION ONLY AFTER RESERVES ATTAIN LEVEL ABOVE THAT OF APRIL 1. CURRENT ESTIMATE IS THAT THIS WILL OCCUR IN JULY AFTER SUBSTANTIAL OIL EARNINGS PAYMENT MADE BY CALTEX AND MORGAN GUARANTY AND JAPANESE FINANCING FOR PERTAMINA BECOMES AVAILABLE. END FYI DECON FOLLING 1/1/76.

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